

## SENATE BILL No. 288

### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-3-11.

**Synopsis:** Tax credit for contributions to K-12 foundations. Provides for an adjusted gross income tax credit for charitable donations to a charitable organization or educational foundation that is exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code and organized and operated solely for the benefit of a public elementary school or public high school located in Indiana. Provides that the maximum individual taxpayer credit is \$1,000 in the case of a single return or \$2,000 in the case of a joint return. Provides that the maximum corporate taxpayer credit is the greater of 10% of the corporation's total adjusted gross income tax liability or \$10,000. Makes the credit refundable.

**Effective:** January 1, 2011.

**Simpson**

January 11, 2010, read first time and referred to Committee on Tax and Fiscal Policy.

C  
o  
p  
y



Second Regular Session 116th General Assembly (2010)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2009 Regular and Special Sessions of the General Assembly.

## SENATE BILL No. 288

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-3-3-11 IS ADDED TO THE INDIANA CODE  
2       AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3       JANUARY 1, 2011]: **Sec. 11. (a) As used in this section, "public**  
4       **elementary school or public high school" means any combination**  
5       **of grades from kindergarten through grade 12 offered by the**  
6       **following:**

7               (1) A school corporation subject to IC 20.

8               (2) A special education cooperative (as defined in  
9               IC 20-35-5-1(7)).

10       (b) At the election of the taxpayer, a credit is allowed against the  
11       adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7  
12       for the taxable year. Subject to the limitations provided by this  
13       section, the amount allowed is equal to fifty percent (50%) of the  
14       total amount of charitable contributions made by the taxpayer  
15       during a taxable year to a charitable organization or educational  
16       foundation that is:

17               (1) exempt from federal income taxation under Section



C  
o  
p  
y

1           **501(c)(3) of the Internal Revenue Code; and**

2           **(2) organized and operated solely for the benefit of a public**  
 3           **elementary school or public high school located in Indiana.**

4           **(c) In the case of a taxpayer other than a corporation, the**  
 5           **amount allowable as a credit under this section for any taxable**  
 6           **year may not exceed:**

7           **(1) one thousand dollars (\$1,000) in the case of a single return;**  
 8           **or**

9           **(2) two thousand dollars (\$2,000) in the case of a joint return.**

10          **(d) In the case of a taxpayer that is a corporation, the amount**  
 11          **allowable as a credit under this section for any taxable year may**  
 12          **not exceed the greater of the following amounts:**

13          **(1) Ten percent (10%) of the corporation's total adjusted**  
 14          **gross income tax under IC 6-3-1 through IC 6-3-7 for the**  
 15          **taxable year (as determined after applying all other credits**  
 16          **against that tax).**

17          **(2) Ten thousand dollars (\$10,000).**

18          **(e) If the credit allowed by this section exceeds the amount of the**  
 19          **adjusted gross income tax imposed by IC 6-3-1 through IC 6-3-7**  
 20          **for the taxable year, the excess shall be refunded to the taxpayer.**  
 21          **Money is appropriated from the state general fund to make**  
 22          **refunds under this section.**

23          **SECTION 2. [EFFECTIVE JANUARY 1, 2011] (a) IC 6-3-3-11,**  
 24          **as added by this act, applies to taxable years beginning after**  
 25          **December 31, 2010.**

26          **(b) This SECTION expires December 31, 2012.**

**C**  
**O**  
**P**  
**Y**

